



Senate

General Assembly

File No. 87

January Session, 2005

Senate Bill No. 1221

Senate, March 30, 2005

The Committee on Banks reported through SEN. FINCH of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

**AN ACT CONCERNING HOLIDAY CLOSING SCHEDULES FOR
BANKS AND CREDIT UNIONS AND ALLOWING THE ACCEPTANCE
OF PROPRIETARY AUTOMATED TELLER MACHINE DEPOSITS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 36a-23 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2005*):

4 (a) The Governor is authorized, by proclamation, to designate and
5 appoint one or more legal holidays, which shall include at a minimum
6 the legal holidays designated in section 1-4, to be known as bank and
7 credit union holidays, to be observed throughout this state, or to be
8 observed in a certain county or town, or counties or towns, as specified
9 in such proclamation. During such holiday period all banking and
10 credit union transactions within the area in which such holiday is
11 declared shall be suspended, except that the commissioner, with the
12 approval of the Governor, may prescribe such conditions and

13 restrictions for the conduct of banking and credit union business
14 during such holiday period and within the area in which such holiday
15 is declared as may appear to the commissioner to be in the best interest
16 of the public. On any banking day that precedes or follows any bank
17 and credit union holiday, a bank or credit union may close any of its
18 offices on its own initiative. Each such bank or credit union that closes
19 an office on its own initiative shall provide the commissioner with
20 forty-five-day advance notice of the date the office will be closed and
21 shall post notice in the affected office for thirty days prior to the date
22 such office will be closed.

23 Sec. 2. Subdivision (1) of subsection (a) of section 36a-145 of the
24 general statutes is repealed and the following is substituted in lieu
25 thereof (*Effective October 1, 2005*):

26 (1) "Branch" means any office at a fixed location of a Connecticut
27 bank, other than the main office, at which deposits are received, checks
28 paid and money lent and which, at a minimum, is open for banking
29 business Monday through Friday, except as provided in subsection (a)
30 of section 36a-23, as amended by this act.

31 Sec. 3. Section 36a-156 of the general statutes is repealed and the
32 following is substituted in lieu thereof (*Effective October 1, 2005*):

33 (a) One or more banks, Connecticut credit unions or federal credit
34 unions which have established a satellite device or point of sale
35 terminal shall make the satellite device or point of sale terminal
36 available [on a nondiscriminatory basis] for use [by] (1) by their own
37 customers for such transactions as such banks or credit unions permit,
38 and (2) for withdrawals, transfers and balance inquiries by customers
39 of any other bank, Connecticut credit union or federal credit union,
40 upon payment by each such other bank or credit union of a reasonably
41 proportionate share of all acquisition, installation and operating costs
42 of the satellite device or point of sale terminal. The satellite device or
43 point of sale terminal shall identify with equal prominence all of the
44 [banks, credit unions or] network systems which use the satellite
45 device or point of sale terminal.

46 (b) Any bank, Connecticut credit union or federal credit union
 47 which has established an automated teller machine which is not a
 48 satellite device may [, in its discretion,] permit any other bank,
 49 Connecticut credit union or federal credit union to use such automated
 50 teller machine, provided, (1) if such permission is granted to any other
 51 bank, Connecticut credit union or federal credit union, the automated
 52 teller machine is made available [on a nondiscriminatory basis] for use
 53 by any other bank, Connecticut credit union or federal credit union,
 54 upon payment of reasonably proportionate costs as described under
 55 subsection (a) of this section, and (2) such use is otherwise in
 56 accordance with subsection (a) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2005</i>	36a-23(a)
Sec. 2	<i>October 1, 2005</i>	36a-145(a)(1)
Sec. 3	<i>October 1, 2005</i>	36a-156

BA *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill allows Connecticut banks and credit unions to close on certain days. The bill also allows state banks and state or federal credit unions to limit the use of their ATMs by non-customers. The bill has no fiscal impact.

OLR Bill Analysis

SB 1221

AN ACT CONCERNING HOLIDAY CLOSING SCHEDULES FOR BANKS AND CREDIT UNIONS AND ALLOWING THE ACCEPTANCE OF PROPRIETARY AUTOMATED TELLER MACHINE DEPOSITS**SUMMARY:**

This bill allows (1) Connecticut banks and credit unions to close on any day before or after a bank and credit union holiday and (2) state banks and state or federal credit unions to limit the use of satellite automated teller machines (ATMs) and point-of-sale terminals by individuals who are not their customers.

EFFECTIVE DATE: October 1, 2005

BANK AND CREDIT UNION HOLIDAY CLOSINGS

The bill allows a bank or credit union to elect to close any of its offices on any banking day that precedes or follows any bank and credit union holiday. Any bank or credit union that exercises this option must provide the banking commissioner with 45 days advance notice and post a notice in the affected office for the 30 days before the closing. The bill also requires the governor to designate, at a minimum, all of the current state holidays as bank and credit union holidays. Under current law, the governor is allowed to designate any of the state holidays as bank and credit union holidays, during which banks and credit unions are closed, unless the commissioner, with the governor's approval, determines otherwise.

The bill allows branches to close before, on, and after state holidays by changing the definition of a branch, which is currently an office that is, among other things, open at least Monday through Friday.

ATM AND POINT OF SALE TERMINALS***Satellite ATM Devices and Point of Sale Terminals***

The bill specifies the services that satellite devices and point of sale terminals must provide. A satellite device is an ATM that is not part of an office of the bank. Point-of-sale terminals can only be used to charge sales transactions to a customer's account and, by definition, are devices at which deposit transactions cannot be conducted.

Under current law, Connecticut or federal credit unions that have established (1) a satellite ATM or (2) a point-of-sale terminal, must make it available for use on a nondiscriminatory basis, by any other bank or Connecticut or federal credit union upon payment of a reasonably proportionate share of the associated costs. The bill instead requires banks or credit unions that have established such devices to make them available to their own customers for all transactions allowed by the institution, and to customers of other banks only for withdrawals, transfers, and balance inquiries. The other banks are still required to pay their share of costs.

The bill eliminates the requirement for satellite ATMs or point-of-sale terminals to identify, with equal prominence, all of the banks and credit unions that use the device but still requires the identification of the network systems that use the device.

Non-Satellite ATMs

By law, banks and Connecticut or federal credit unions that have ATMs at their institutions have the option of making them available to the customers of other such banks or credit unions. The bill eliminates the current requirement that availability be provided on a non-discriminatory basis.

COMMITTEE ACTION

Banks Committee

Joint Favorable Report

Yea 18 Nay 0